

**The City of Enterprise
Dickinson County, Kansas**

**Independent Auditors' Report and
Regulatory Basis Financial Statement
Year Ended December 31, 2018**

**Cindy Jensen
Certified Public Accountant
218 W. Main St.
Council Grove, KS. 66846
(620) 767-5064**

City of Enterprise
Dickinson County, Kansas

Regulatory Basis Financial Statement
Year Ended December 31, 2018

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Cindy Jensen

Certified Public Accountant

218 W Main
Council Grove, KS 66846

620-767-5064
c.jensen@tctelco.net

Independent Auditors' Report

Mayor and City Council
Enterprise, Kansas 67441

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Enterprise, Kansas, the Municipal Financial Reporting Entity, as of and for the year ended December 31, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards and the Kansas Municipal Audit and Accounting Guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Adverse Opinion on the U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statement, the City of Enterprise, Kansas prepared this financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on the U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Enterprise, Kansas, as of December 31, 2018, or the changes in its financial position or cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Enterprise, Kansas, as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Report on Regulatory – Required Supplementary Information

My audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement but are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. All supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

I also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Enterprise, Kansas as of and for the year ended December 31, 2017 (not presented herein), and have issued my report dated November 12, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and my report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/chief-financial-officer/municipal-services/municipal-audits>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2018 (Schedule 2 as listed in the table of contents) is presented for analysis and are not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the 2017 comparative information is fairly stated in all material respects, in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note 1.



Cindy Jensen, CPA
October 1, 2019

City of Enterprise
Dickinson County, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2018

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	\$ 118,367	\$ 0	\$ 297,008	\$ 349,834	\$ 65,541	\$ 1,450	\$ 66,991
Special Purpose Funds							
Recreation	635	0	1,117	1,117	635	0	635
Library	1,897	0	12,590	12,590	1,897	0	1,897
Special Highway	66,662	0	21,942	9,193	79,411	0	79,411
Connecting Links	31,498	0	6,354	5,072	32,780	52	32,832
Special Law	0	0	50	0	50	0	50
Employee Benefits	22,630	0	41,475	19,220	44,885	113	44,998
Tort Liability	8	0	0	0	8	0	8
Bond & Interest							
Bond & Interest	11,520	0	5,915	9,966	7,469	0	7,469
Capital Project							
Capital Project	1	0	0	0	1	0	1
Business Fund							
Sewer	8,758	0	118,061	115,713	11,106	3,342	14,448
Water	9,242	0	137,662	144,147	2,757	3,090	5,847
Electric	200,280	0	617,134	638,712	178,702	36,877	215,579
Solid Waste	46,074	0	71,460	71,700	45,834	1,049	46,883
Trust Funds							
Landfill	109	0	0	0	109	0	109
Swimming Pool Endowment	1,175	0	0	0	1,175	0	1,175
Related Municipal Entity							
Enterprise Land Bank	0	0	500	0	500	0	500
Total Reporting Entity	<u>\$ 518,856</u>	<u>\$ 0</u>	<u>\$ 1,331,268</u>	<u>\$ 1,377,264</u>	<u>\$ 472,860</u>	<u>\$ 45,973</u>	<u>\$ 518,833</u>

Composition of Cash Balance:

Checking & money market accounts	\$ 143,758
Certificates of Deposit	375,000
Cash on hand	75
Total Reporting Entity	<u>\$ 518,833</u>

The accompanying notes are an integral part of this statement.

The City of Enterprise
Dickinson County, Kansas

Notes to the Financial Statement
December 31, 2018

Note A – Summary of Significant Accounting Policies

The City has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The more significant of the City's accounting policies are described below.

Municipal Financial Reporting Entity

The City of Enterprise is a government entity and operates under a Mayor-Council form of government. The City operates as a third-class City. The City provides the following services: public safety (police and fire), streets, sanitation, water, sewer, electric service, recreation, public improvements, planning and zoning, and general administrative services. This financial statement presents the City of Enterprise (the municipality) and its related municipal entity the Enterprise Land Bank. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents. Other related municipal entities including the City of Enterprise Recreation Commission and Enterprise Library are not presented.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, which are used to record the City's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations including State Statutes and City Ordinances. The following types of funds comprise the financial activities of the City.

General Fund – The chief operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition for acquisition or construction of major capital facilities or equipment.

Business Funds – these are financed in whole or in part by fees charged to users of the goods or services. Business funds are operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of receipts, expenses, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Trust Funds – used to report assets held in trust for the benefit of the municipal financial reporting entity.

The City of Enterprise
Dickinson County, Kansas

Notes to the Financial Statement
December 31, 2018

Note A – Summary of Significant Accounting Policies (Cont.)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City approved a resolution that is in compliance-with K.S.A. 75-1120a(c) waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Note B – Stewardship, Compliance, and Accountability

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The City amended its' General, Recreation, Water and Sewer fund budgets increasing expenditure authority to \$382,500, \$1,250, \$154,000, and \$125,000 from \$323,100, \$1,100, \$140,000, and \$112,900 respectively.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

The City of Enterprise
Dickinson County, Kansas

Notes to the Financial Statement
December 31, 2018

Note B – Stewardship, Compliance, and Accountability (Cont.)

A legal budget is not required for capital project and trust funds. Spending in funds that are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Compliance with Finance-Related Legal and Contractual Provisions

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the Municipality.

K.S.A. 12-1608 requires the City treasurer to publish an annual statement. This statement was not published.

Management is not aware of any other items of noncompliance with Kansas regulations.

Note C – Cash and Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by FDIC insurance, or by collateral held under a joint custody receipts issued by a bank within the state of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods". The City's deposits were legally secured at December 31, 2018.

The City maintains a cash pool that is available for use by all funds. At year-end the carrying amount of the City's deposits, including certificates of deposit, was \$518,758. The bank balance was \$574,465. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,712 was covered by FDIC insurance and \$323,753 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

Note D – Property Taxes

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the County.

The City of Enterprise
Dickinson County, Kansas

Notes to the Financial Statement
December 31, 2018

Note D – Property Taxes (Cont.)

In accordance with State statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. One-half of the property tax is due December 20th prior to the fiscal year for which they are budgeted, and the second half is due the following May 10th. The County Treasurer collects and distributes the property taxes. In accordance with State statutes, property taxes levied during the current year are a revenue source to be used to finance the following years operation.

Note E – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To insure against risk of these types of losses, the City has purchased commercial insurance coverage. Settled claims resulting from these risks have not exceeded coverage in the past three calendar years.

Note F – Defined Pension Plan

Plan Description

The City of Enterprise, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which may be found on the website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Ks. 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is KPERS 1, KPERS 2, or a KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rate for KPERS 1, KPERS 2, and KPERS 3 to be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$23,773 for the year ended December 31, 2018.

The City of Enterprise
Dickinson County, Kansas

Notes to the Financial Statement
December 31, 2018

Note F – Defined Benefit Pension Plan (Cont.)

Net Pension Liability

At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$203,702. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note G – Other Long-Term Obligation from Operations

Compensated Absences

Full-time employees earn four hours of sick leave for each full month of service. Sick leave may accumulate to 750 hours. Upon termination, an employee is not paid for any unused sick leave.

Vacation for full-time employees is based on years of employment. Full-time employees receive one week after the first year of service, two weeks after two years of service, and three weeks after five years of continuous service. Vacation time may not be accumulated past the individual's employment date anniversary unless approval is made by the city council. The city council may also approve payment of unused vacation time. Upon termination, an employee shall be compensated for all earned but unused vacation at their final rate of pay, subject to the maximum hours of accumulation authorized.

Other Post-Employment Benefits

In accordance with State statutes, the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by State statutes. The premium is paid in full by the insured directly to the insurance carrier. There is no cost to the City under this program.

Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2018.

Customer Deposits

The City requires a utility deposit for new customers. The City retains the deposit for five years and then is paid back to those in good standing upon request. The City does not recognize the customer deposit liability in its financial statement.

The City of Enterprise
Dickinson County, Kansas

Notes to the Financial Statement
December 31, 2018

Note H – Long-Term Debt

General Obligation Bonds

The City issued General Obligation bonds in the amount of \$119,446 in 2006 for street improvements to Layton Lane. Special assessments were authorized to be charged to the benefiting property owners for repayment of the bond. The special assessments authorized to be charged began to be assessed by Dickinson County, Kansas in November 2007 and began distributing those assessments to the City beginning in 2008. Repayment of the bonds began in 2007. Payments are made from the Bond and Interest fund.

Capital Leases

On August 28, 2018, the City entered into a capital lease agreement with Dickinson County Bank for the purchase of a Mini-Excavator. The lease terminates due to non-appropriation of funds and the equipment is returned to the lessor. Four annual payments of \$10,991 are due beginning August 15, 2019, with the final purchase option payment of \$1 on August 15, 2022.

Changes in long term liabilities for the City for the year ended December 31, 2018 are as follows:

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Due January 1	Additions	Reductions/ Payments	Balance Due December 31	Interest Paid
General Obligation Bonds:									
Layton Lane	4.75-6.7%	9/1/2006	119,446	9/1/2026	\$ 62,446	\$ 0	\$ 7,000	\$ 55,446	\$ 2,966
Capital leases payable:									
Mini-Excavator	3.90%	8/28/2018	40,041	8/15/2022	0	40,041	0	40,041	0
Total contractual indebtedness					<u>\$ 62,446</u>	<u>\$ 40,041</u>	<u>\$ 7,000</u>	<u>\$ 95,487</u>	<u>\$ 2,966</u>

Current maturities of long-term debt and interest for the next five years and in five-year increments through maturity are as follows:

	2019	2020	2021	2022	2023	2024-2026	Total
Principal							
Layton Lane	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 20,446	\$ 55,446
Mini-Excavator	9,485	9,796	10,181	10,579	0	0	40,041
Total Principal	<u>16,485</u>	<u>16,796</u>	<u>17,181</u>	<u>17,579</u>	<u>7,000</u>	<u>20,446</u>	<u>95,487</u>
Interest							
Layton Lane	2,634	2,301	1,968	1,636	1,304	1,916	11,759
Mini-Excavator	1,506	1,195	810	412	0	0	3,923
							0
Total Interest	<u>4,140</u>	<u>3,496</u>	<u>2,778</u>	<u>2,048</u>	<u>1,304</u>	<u>1,916</u>	<u>15,682</u>
Total Principal & Interest	<u>\$ 20,625</u>	<u>\$ 20,292</u>	<u>\$ 19,959</u>	<u>\$ 19,627</u>	<u>\$ 8,304</u>	<u>\$ 22,362</u>	<u>\$ 111,169</u>

The City of Enterprise
Dickinson County, Kansas

Notes to the Financial Statement
December 31, 2018

Note I – Contracts

In February 2015, the City contracted with Dickinson County for its' police protection. The County agrees to provide not less than 200 man hours per month within the City. The City paid \$7,896 for each full month of this coverage in 2018. The contract is renegotiated annually.

Note J – Transfers

During 2018, the City transferred monies between funds as allowed by applicable Kansas statutes. The following schedule details transfers made.

<u>Transferred From:</u>	<u>Transferred to:</u>	<u>Authority</u>	<u>Amount</u>
Electric	Water	12-825d	\$ 10,000
Electric	Sewer	12-825d	20,000

Note K – Sewer Project

The City is currently undertaking a wastewater facility project. The project will connect the City's system to the City of Detroit's system. This will include the construction of an additional lagoon. The project is estimated at a cost of \$1,461,000. In 2018, the city obtained a \$600,000 Community Development Block Grant and a loan commitment of \$861,000 from USDA-RD for the project. The City is obtaining temporary financing with a Kansas Department of Health and Environment loan which will be repaid with the issuance of bonds upon project completion. The bonds will be purchased by USDA-RD. The KDHE loan carries an interest rate of 2.54%. As of December 31, 2018, the City had expended \$73,074 in preconstruction costs.

Regulatory – Required Supplementary Information

City of Enterprise
Dickinson County, Kansas

Schedule 1

Summary of Expenditures-Actual and Budget
Regulatory Basis
Budgeted Funds Only
For the Year Ended December 31, 2018

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	\$ 382,500	\$ 0	\$ 382,500	\$ 349,834	\$ (32,666)
Special Purpose Funds					
Recreation	1,250	0	1,250	1,117	(133)
Library	15,180	0	15,180	12,590	(2,590)
Special Highway	91,745	0	91,745	9,193	(82,552)
Connecting Links	41,737	0	41,737	5,072	(36,665)
Special Law	100	0	100	0	(100)
Employee Benefits	44,000	0	44,000	19,220	(24,780)
Tort Liability	0	0	0	0	0
Bond & Interest					
Bond & Interest	14,966	0	14,966	9,966	(5,000)
Business Funds					
Sewer	125,000	0	125,000	115,713	(9,287)
Water	154,000	0	154,000	144,147	(9,853)
Electric	721,000	0	721,000	638,712	(82,288)
Solid Waste	79,500	0	79,500	71,700	(7,800)

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

GENERAL FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Dickinson County	\$ 225,766	\$ 175,920	\$ 189,411	\$ (13,491)
Sales & Use Tax	65,923	69,901	70,000	(99)
Franchise	10,748	11,568	10,000	1,568
Licenses & Permits	1,461	1,817	1,500	317
Fines & Court	7,693	8,949	7,800	1,149
Use of Money and Property	17,131	15,969	6,500	9,469
Swimming Pool	6,049	4,658	4,660	(2)
Other	13,985	8,226	17,200	(8,974)
Transfers In	0	0	0	0
Total Receipts	<u>348,756</u>	<u>297,008</u>	<u>307,071</u>	<u>(10,063)</u>
Expenditures				
General				
Personal	45,905	43,742	50,000	(6,258)
Commodities	19,631	71,856	70,000	1,856
Contractual	47,539	56,452	55,000	1,452
Capital Outlay	0	0	1,000	(1,000)
Law				
Personal	251	0	0	0
Commodities	0	0	2,000	(2,000)
Contractual	92,963	98,093	98,000	93
Fire				
Personal	1,783	1,416	4,700	(3,284)
Commodities	15,326	13,394	10,700	2,694
Contractual	6,698	7,463	7,000	463
Capital Outlay	0	0	3,500	(3,500)
Swimming Pool				
Personal	20,741	12,023	13,000	(977)
Commodities	6,211	1,911	4,000	(2,089)
Contractual	1,136	1,838	4,000	(2,162)
Capital Outlay	0	0	4,500	(4,500)
Parks & Recreation				
Personal	0	275	1,000	(725)
Commodities	4,500	9,780	7,000	2,780
Contractual	747	320	500	(180)
Streets				
Personal	12,598	7,955	10,000	(2,045)
Commodities	10,587	14,124	21,500	(7,376)
Street Lights	9,104	9,192	10,100	(908)
Contractual	822	0	5,000	(5,000)
Transfers out	0	0	0	0
Total Expenditures	<u>296,542</u>	<u>349,834</u>	<u>382,500</u>	<u>(32,666)</u>
Receipts Over (Under) Expenditures	52,214	(52,826)	<u>\$ (75,429)</u>	<u>\$ 22,603</u>
Unencumbered Cash, January 1	66,153	118,367		
Unencumbered Cash, December 31	<u>\$ 118,367</u>	<u>\$ 65,541</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2B

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

RECREATION

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Dickinson County	\$ 920	\$ 1,117	\$ 1,250	\$ (133)
Other	0	0	0	0
Total Receipts	<u>920</u>	<u>1,117</u>	<u>1,250</u>	<u>(133)</u>
Expenditures				
Appropriation to Recreation Comm	920	1,117	1,250	(133)
Other	0	0	0	0
Total Expenditures	<u>920</u>	<u>1,117</u>	<u>1,250</u>	<u>(133)</u>
Receipts Over (Under) Expenditures	0	0	<u>\$ 0</u>	<u>\$ 0</u>
Unencumbered Cash, January 1	<u>635</u>	<u>635</u>		
Unencumbered Cash, December 31	<u>\$ 635</u>	<u>\$ 635</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2C

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

LIBRARY				
	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Dickinson County	\$ 13,822	\$ 12,590	\$ 13,601	\$ (1,011)
Other Receipts	0	0	0	0
Total Receipts	<u>13,822</u>	<u>12,590</u>	<u>13,601</u>	<u>(1,011)</u>
Expenditures				
Appropriation to Library Board	13,822	12,590	15,180	(2,590)
Other	0	0	0	0
Total Expenditures	<u>13,822</u>	<u>12,590</u>	<u>15,180</u>	<u>(2,590)</u>
Receipts Over (Under) Expenditures	0	0	<u>\$ (1,579)</u>	<u>\$ 1,579</u>
Unencumbered Cash, January 1	<u>1,897</u>	<u>1,897</u>		
Unencumbered Cash, December 31	<u>\$ 1,897</u>	<u>\$ 1,897</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2D

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

SPECIAL HIGHWAY

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State of Kansas	\$ 21,713	\$ 21,942	\$ 21,970	\$ (28)
Other Receipts	716	0	0	0
Total Receipts	<u>22,429</u>	<u>21,942</u>	<u>21,970</u>	<u>(28)</u>
Expenditures				
Street maintenance and repair	43,472	9,193	91,745	(82,552)
Other	0	0	0	0
Total Expenditures	<u>43,472</u>	<u>9,193</u>	<u>91,745</u>	<u>(82,552)</u>
Receipts Over (Under) Expenditures	(21,043)	12,749	<u>\$ (69,775)</u>	<u>\$ 82,524</u>
Unencumbered Cash, January 1	<u>87,705</u>	<u>66,662</u>		
Unencumbered Cash, December 31	<u>\$ 66,662</u>	<u>\$ 79,411</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2E

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

CONNECTING LINKS

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State of Kansas	\$ 6,350	\$ 6,354	\$ 6,354	\$ 0
Other Receipts	0	0	0	0
Total Receipts	<u>6,350</u>	<u>6,354</u>	<u>6,354</u>	<u>0</u>
Expenditures				
Highway repair & maintenance	3,881	5,072	41,737	(36,665)
Other	0	0	0	0
Total Expenditures	<u>3,881</u>	<u>5,072</u>	<u>41,737</u>	<u>(36,665)</u>
Receipts Over (Under) Expenditures	2,469	1,282	<u>\$ (35,383)</u>	<u>\$ 36,665</u>
Unencumbered Cash, January 1	<u>29,029</u>	<u>31,498</u>		
Unencumbered Cash, December 31	<u>\$ 31,498</u>	<u>\$ 32,780</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2F

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

SPECIAL LAW

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Dickinson County	\$ 125	\$ 50	\$ 100	\$ (50)
Other Receipts	0	0	0	0
Total Receipts	<u>125</u>	<u>50</u>	<u>100</u>	<u>(50)</u>
Expenditures				
Law expenditures	1,946	0	100	(100)
Other	0	0	0	0
Total Expenditures	<u>1,946</u>	<u>0</u>	<u>100</u>	<u>(100)</u>
Receipts Over (Under) Expenditures	(1,821)	50	<u>\$ 0</u>	<u>\$ 50</u>
Unencumbered Cash, January 1	<u>1,821</u>	<u>0</u>		
Unencumbered Cash, December 31	<u>\$ 0</u>	<u>\$ 50</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2G

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

EMPLOYEE BENEFITS

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Dickinson County	\$ 6,958	\$ 41,475	\$ 45,814	\$ (4,339)
Other Receipts	0	0	0	0
Total Receipts	<u>6,958</u>	<u>41,475</u>	<u>45,814</u>	<u>(4,339)</u>
Expenditures				
Employee Benefits	22,950	19,220	44,000	(24,780)
Other	0	0	0	0
Total Expenditures	<u>22,950</u>	<u>19,220</u>	<u>44,000</u>	<u>(24,780)</u>
Receipts Over (Under) Expenditures	(15,992)	22,255	<u>\$ 1,814</u>	<u>\$ 20,441</u>
Unencumbered Cash, January 1	<u>38,622</u>	<u>22,630</u>		
Unencumbered Cash, December 31	<u>\$ 22,630</u>	<u>\$ 44,885</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2H

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

TORT LIABILITY

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Dickinson County	\$ 0	\$ 0	\$ 0	\$ 0
Other Receipts	0	0	0	0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Contractual Services	0	0	0	0
Other	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0	<u>\$ 0</u>	<u>\$ 0</u>
Unencumbered Cash, January 1	<u>8</u>	<u>8</u>		
Unencumbered Cash, December 31	<u>\$ 8</u>	<u>\$ 8</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2I

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

BOND & INTEREST

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Dickinson County	\$ 11	\$ 3	\$ 0	\$ 3
Special Assessments	6,110	5,912	5,000	912
Total Receipts	<u>6,121</u>	<u>5,915</u>	<u>5,000</u>	<u>915</u>
Expenditures				
Principal & Interest	10,299	9,966	9,966	0
Cash Basis Reserve	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>(5,000)</u>
Total Expenditures	<u>10,299</u>	<u>9,966</u>	<u>14,966</u>	<u>(5,000)</u>
Receipts Over (Under) Expenditures	(4,178)	(4,051)	<u>\$ (9,966)</u>	<u>\$ 5,915</u>
Unencumbered Cash, January 1	<u>15,698</u>	<u>11,520</u>		
Unencumbered Cash, December 31	<u>\$ 11,520</u>	<u>\$ 7,469</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2J

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

CAPITAL PROJECTS

	Prior Year Actual	Current Year Actual
Receipts		
State of Kansas	\$ 0	\$ 0
Other Receipts	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Project	0	0
Other	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>1</u>	<u>1</u>
Unencumbered Cash, December 31	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2K

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

SEWER				
	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 99,346	\$ 96,790	\$ 96,500	\$ 290
Transfers in	0	20,000	20,000	0
Other Receipts	1,654	1,271	0	1,271
Total Receipts	<u>101,000</u>	<u>118,061</u>	<u>116,500</u>	<u>1,561</u>
Expenditures				
Personal services	72,874	77,067	84,000	(6,933)
Commodities	8,402	10,487	13,000	(2,513)
Contractual	44,797	28,159	28,000	159
Capital outlay	1,076	0	0	0
Transfers out	0	0	0	0
Total Expenditures	<u>127,149</u>	<u>115,713</u>	<u>125,000</u>	<u>(9,287)</u>
Receipts Over (Under) Expenditures	(26,149)	2,348	<u>\$ (8,500)</u>	<u>\$ 10,848</u>
Unencumbered Cash, January 1	<u>34,907</u>	<u>8,758</u>		
Unencumbered Cash, December 31	<u>\$ 8,758</u>	<u>\$ 11,106</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2L

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

WATER				
	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 122,449	\$ 125,771	\$ 125,000	\$ 771
Transfer in	0	10,000	20,000	(10,000)
Other Receipts	2,093	1,891	0	1,891
Total Receipts	<u>124,542</u>	<u>137,662</u>	<u>145,000</u>	<u>(7,338)</u>
Expenditures				
Personal Service	82,589	96,891	105,000	(8,109)
Commodities	19,475	28,393	31,000	(2,607)
Contractual	18,095	18,863	18,000	863
Capital Outlay	0	0	0	0
Other	0	0	0	0
Total Expenditures	<u>120,159</u>	<u>144,147</u>	<u>154,000</u>	<u>(9,853)</u>
Receipts Over (Under) Expenditures	4,383	(6,485)	<u>\$ (9,000)</u>	<u>\$ 2,515</u>
Unencumbered Cash, January 1	<u>4,859</u>	<u>9,242</u>		
Unencumbered Cash, December 31	<u>\$ 9,242</u>	<u>\$ 2,757</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2M

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

ELECTRIC				
	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 568,293	\$ 600,726	\$ 650,000	\$ (49,274)
Late Fees	9,497	7,675	0	7,675
Customer Deposits	6,674	7,085	0	7,085
Other Receipts	2,366	1,648	0	1,648
Total Receipts	<u>586,830</u>	<u>617,134</u>	<u>650,000</u>	<u>(32,866)</u>
Expenditures				
Personal Service	103,370	97,064	118,000	(20,936)
Commodities	43,363	29,175	54,000	(24,825)
Electricity Purchased	401,364	440,909	410,000	30,909
Contractual	35,321	35,763	42,000	(6,237)
Capital Outlay	0	0	90,000	(90,000)
Customer Deposit Refunds	6,026	5,801	7,000	(1,199)
Transfers Out	0	30,000	0	30,000
Total Expenditures	<u>589,444</u>	<u>638,712</u>	<u>721,000</u>	<u>(82,288)</u>
Receipts Over (Under) Expenditures	(2,614)	(21,578)	<u>\$ (71,000)</u>	<u>\$ 49,422</u>
Unencumbered Cash, January 1	<u>202,894</u>	<u>200,280</u>		
Unencumbered Cash, December 31	<u>\$ 200,280</u>	<u>\$ 178,702</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 2N

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

SOLID WASTE

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 66,716	\$ 70,610	\$ 67,000	\$ 3,610
Other receipts	1,262	850	0	850
Total Receipts	<u>67,978</u>	<u>71,460</u>	<u>67,000</u>	<u>4,460</u>
Expenditures				
Personal Service	25,659	30,895	24,500	6,395
Commodities	12,802	6,230	10,000	(3,770)
Contractual	29,145	34,575	45,000	(10,425)
Capital Outlay	0	0	0	0
Total Expenditures	<u>67,606</u>	<u>71,700</u>	<u>79,500</u>	<u>(7,800)</u>
Receipts Over (Under) Expenditures	372	(240)	<u>\$ (12,500)</u>	<u>\$ 12,260</u>
Unencumbered Cash, January 1	<u>45,702</u>	<u>46,074</u>		
Unencumbered Cash, December 31	<u>\$ 46,074</u>	<u>\$ 45,834</u>		

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 20

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

TRUST FUNDS

	Landfill	Swimming Pool Endowment
Receipts		
Fees and Donations	\$ 0	\$ 0
Other Receipts	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Project	0	0
Other	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>109</u>	<u>1,175</u>
Unencumbered Cash, December 31	<u>\$ 109</u>	<u>\$ 1,175</u>

See accompanying auditors' report.

City of Enterprise
Dickinson County, Kansas

Schedule 3

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018
With Comparative Actual Totals for the Prior Year Ended December 31, 2017

RELATED MUNICIPAL ENTITY
ENTERPRISE LAND BANK

	Prior Year Actual	Current Year Actual
Receipts		
Sale of Property	\$ 0	\$ 0
Other Receipts	0	500
Total Receipts	<u>0</u>	<u>500</u>
Expenditures		
Property purchases	0	0
Other	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	500
Unencumbered Cash, January 1	<u>0</u>	<u>0</u>
Unencumbered Cash, December 31	<u>\$ 0</u>	<u>\$ 500</u>

See accompanying auditors' report.